

2011 Property Tax Report

Owen County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Owen County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Owen County

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	2,159	43.0%	464	9.2%
No Change	135	2.7%	31	0.6%
Lower Tax Bill	2,730	54.3%	4,529	90.1%
Average Change in Tax Bill	-1.0%		-22.4%	
Detailed Change in Tax Bill				
20% or More	319	6.3%	269	5.4%
10% to 19%	153	3.0%	63	1.3%
1% to 9%	1,687	33.6%	132	2.6%
0%	135	2.7%	31	0.6%
-1% to -9%	1,980	39.4%	260	5.2%
-10% to -19%	370	7.4%	1,034	20.6%
-20% to -29%	160	3.2%	1,162	23.1%
-30% to -39%	64	1.3%	956	19.0%
-40% to -49%	46	0.9%	466	9.3%
-50% to -59%	37	0.7%	231	4.6%
-60% to -69%	16	0.3%	119	2.4%
-70% to -79%	15	0.3%	70	1.4%
-80% to -89%	10	0.2%	66	1.3%
-90% to -99%	3	0.1%	39	0.8%
-100%	29	0.6%	126	2.5%
Total	5,024	100.0%	5,024	100.0%

Note: Percentages may not total due to rounding.

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*LOSS OF STATE HOMESTEAD
CREDIT AND LOWER LOCAL
HOMESTEAD CREDITS RAISED
HOMEOWNER TAX BILLS*

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Homestead Property Taxes

Homestead property taxes decreased 1.0% on average in Owen County in 2011 for parcels identified as homesteads in all years from 2007 through 2011. These are the 5,024 parcels summarized in the table above. However, property types changed for many other parcels in Owen County throughout those years. For the 6,054 parcels identified as homesteads in both 2010 and 2011, taxes decreased by 0.6%. However, when the total of all homestead parcels in each year is compared, the change from 2010 to 2011 is a 1.2% increase. These totals include about 6,450 parcels in each of the two years. The state average change was an increase of 4.4%.

For the 5-year matched parcels, Owen County homestead taxes were 22.4% lower in 2011 than they were in 2007, before the big tax reform. The change in homestead taxes from 2010 to 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 5.0% in Owen County in 2010. Tax rates were relatively low in Owen County, so only 4.7% of homeowners received circuit breaker credits. This was an increase from 0% in 2010.

Tax Rates

Property tax rates increased in all Owen County tax districts. The average tax rate increased by 4.3% because of an increase in the levy coupled with a decline in net assessed value. Levies in Owen County increased by 2.6%. The biggest levy increases were in the Spencer-Owen Community Schools debt service and bus replacement funds. About half of these increases were offset by reductions in the transportation and pension debt funds. Owen County's total net assessed value declined by 3.1% in 2011. (The certified net AV used to compute tax rates declined by 1.6%.) Homestead and agricultural net assessments decreased by 6.7% and 3.2%, respectively. Other residential assessments declined by 7.0%, while business net assessments grew by 7.2%.

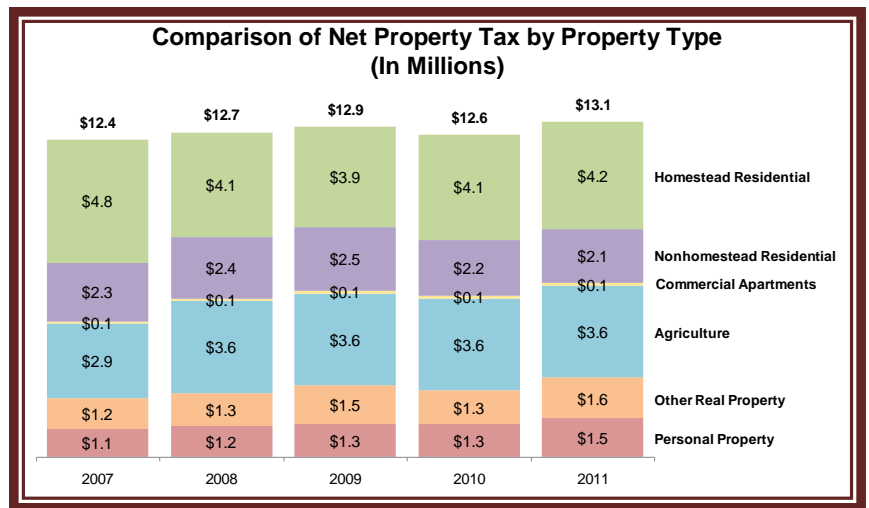
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*LARGE TAX INCREASES FOR
APARTMENTS AND BUSINESS; NO
CHANGE FOR AGRICULTURE; TAX
DECREASES FOR OTHER RESIDENTIAL*

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 3.5% in Owen County in 2011, similar to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 5.3%. Tax bills for commercial apartments rose 8.6%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 19.2%. Agricultural tax bills were unchanged, despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED
IN 2011*

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Total tax cap credit losses in Owen County were \$387,494, or 2.9% of the levy. This was less than the state average loss rate of 9.2%, but near the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Owen County's tax rates were near the state median.

About three-quarters of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. Owen County had no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The largest percentage losses were in the towns of Gosport and Spencer and in Jackson Township. The largest dollar losses were in the Spencer-Owen and Cloverdale School Corporations, the town of Spencer, and the county unit.

Owen County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$21,794	\$226,521	\$0	\$1,872	\$250,187	1.9%
2011 Tax Cap Credits	93,370	294,124	0	0	387,494	2.9%
Change	\$71,575	\$67,603	\$0	-\$1,872	\$137,307	1.0%

Tax cap credits increased in Owen County in 2011 by \$137,307, or 55%. The additional credits

represent an added loss of 1.0% of the total tax levy. The increase in tax cap credits was in the 1% and 2% tax cap categories, the result of tax rate increases. The elimination of the state homestead credit added to the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession had a mixed effect on Owen County assessments for pay-2011. Homestead and other residential property values and construction activity appear to have fallen in Owen County in 2009, but increases in business values partly offset this decline. Lower assessments added to the tax rate increase, which increased tax cap credit revenue losses.

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*2009 RECESSION REDUCED TOTAL
ASSESSMENTS IN 2011*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$615,236,200	\$592,911,500	-3.6%	\$236,074,682	\$220,172,524	-6.7%
Other Residential	100,870,300	94,120,900	-6.7%	100,122,316	93,137,664	-7.0%
Ag Business/Land	185,527,000	179,606,500	-3.2%	185,066,428	179,083,732	-3.2%
Business Real/Personal	146,243,570	160,212,900	9.6%	120,368,590	129,073,460	7.2%
Total	\$1,047,877,070	\$1,026,851,800	-2.0%	\$641,632,016	\$621,467,380	-3.1%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Owen County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	16,237,860	18,304,056	12,744,957	13,125,291	13,470,713	12.7%	-30.4%	3.0%	2.6%
State Unit	16,980	17,752	0	0	0	4.5%	-100.0%		
Owen County	2,682,757	3,264,232	2,675,816	2,782,391	2,856,429	21.7%	-18.0%	4.0%	2.7%
Clay Township	34,315	35,647	35,619	36,350	34,747	3.9%	-0.1%	2.1%	-4.4%
Franklin Township	20,464	21,944	22,825	23,420	22,784	7.2%	4.0%	2.6%	-2.7%
Harrison Township	8,970	9,582	9,991	10,355	9,506	6.8%	4.3%	3.6%	-8.2%
Jackson Township	13,570	14,743	15,940	15,479	14,757	8.6%	8.1%	-2.9%	-4.7%
Jefferson Township	22,561	18,715	19,785	20,344	19,630	-17.0%	5.7%	2.8%	-3.5%
Jennings Township	11,723	12,696	13,420	13,786	13,351	8.3%	5.7%	2.7%	-3.2%
Lafayette Township	9,310	10,022	10,402	10,753	10,470	7.6%	3.8%	3.4%	-2.6%
Marion Township	14,570	15,161	16,038	16,549	16,561	4.1%	5.8%	3.2%	0.1%
Montgomery Township	10,579	10,998	10,898	10,842	11,127	4.0%	-0.9%	-0.5%	2.6%
Morgan Township	11,285	16,906	22,415	22,188	21,065	49.8%	32.6%	-1.0%	-5.1%
Taylor Township	12,047	13,352	13,901	14,330	14,109	10.8%	4.1%	3.1%	-1.5%
Washington Township	55,034	38,725	20,850	20,115	18,938	-29.6%	-46.2%	-3.5%	-5.9%
Wayne Township	17,904	19,703	20,512	21,341	20,851	10.0%	4.1%	4.0%	-2.3%
Gosport Civil Town	43,945	56,172	57,251	59,920	61,073	27.8%	1.9%	4.7%	1.9%
Spencer Civil Town	694,548	797,347	819,900	852,543	839,989	14.8%	2.8%	4.0%	-1.5%
Spencer-Owen Community School Corp	9,797,380	10,931,727	6,845,855	7,179,624	7,430,605	11.6%	-37.4%	4.9%	3.5%
Cloverdale Community School Corp	2,200,136	2,333,511	1,431,271	1,312,852	1,373,372	6.1%	-38.7%	-8.3%	4.6%
Spencer-Owen County Public Library	511,507	610,980	629,164	649,372	631,656	19.4%	3.0%	3.2%	-2.7%
Clay-Owen-Vigo Solid Waste Mgt Dist	0	0	0	0	0				
Poland Fire Terr (Jackson Township)	48,275	54,141	53,104	52,737	49,693	12.2%	-1.9%	-0.7%	-5.8%

Owen County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

			Credit Rates						Net Tax Rate, Homesteads
Dist #	Taxing District	Tax Rate	LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
60016	Clay Township	2.0283	--	--	--	--	--	--	2.0283
60017	Franklin Township	2.0268	--	--	--	--	--	--	2.0268
60018	Harrison Township	2.0216	--	--	--	--	--	--	2.0216
60019	Jackson Township	2.1851	--	--	--	--	--	--	2.1851
60020	Jefferson Township	2.0233	--	--	--	--	--	--	2.0233
60021	Jennings Township	2.0771	--	--	--	--	--	--	2.0771
60022	Lafayette Township	2.0069	--	--	--	--	--	--	2.0069
60023	Marion Township	2.0251	--	--	--	--	--	--	2.0251
60024	Montgomery Township	2.0045	--	--	--	--	--	--	2.0045
60025	Morgan Township	2.0384	--	--	--	--	--	--	2.0384
60026	Taylor Township	2.0619	--	--	--	--	--	--	2.0619
60027	Washington Township	2.1120	--	--	--	--	--	--	2.1120
60028	Spencer Town	2.7365	--	--	--	--	--	--	2.7365
60029	Wayne Township	2.0260	--	--	--	--	--	--	2.0260
60030	Gosport Town	2.4475	--	--	--	--	--	--	2.4475

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Owen County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Total	Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly				
<i>Non-TIF Total</i>	93,370	294,124	0	0		387,494	13,470,713	2.9%
<i>TIF Total</i>	0	0	0	0		0	0	
<i>County Total</i>	93,370	294,124	0	0		387,494	13,470,713	2.9%
Owen County	19,080	56,653	0	0		75,733	2,856,429	2.7%
Clay Township	203	170	0	0		373	34,747	1.1%
Franklin Township	151	143	0	0		294	22,784	1.3%
Harrison Township	23	66	0	0		89	9,506	0.9%
Jackson Township	77	790	0	0		867	14,757	5.9%
Jefferson Township	30	126	0	0		156	19,630	0.8%
Jennings Township	56	231	0	0		287	13,351	2.1%
Lafayette Township	11	17	0	0		28	10,470	0.3%
Marion Township	11	132	0	0		143	16,561	0.9%
Montgomery Township	110	12	0	0		123	11,127	1.1%
Morgan Township	210	202	0	0		412	21,065	2.0%
Taylor Township	92	213	0	0		305	14,109	2.2%
Washington Township	193	662	0	0		855	18,938	4.5%
Wayne Township	85	368	0	0		453	20,851	2.2%
Gosport Civil Town	446	3,302	0	0		3,748	61,073	6.1%
Spencer Civil Town	9,360	40,729	0	0		50,089	839,989	6.0%
Spencer-Owen Community School Corp	51,301	131,989	0	0		183,290	7,430,605	2.5%
Cloverdale Community School Corp	7,451	43,133	0	0		50,584	1,373,372	3.7%
Spencer-Owen County Public Library	4,219	12,528	0	0		16,747	631,656	2.7%
Clay-Owen-Vigo Solid Waste Mgt Dist	0	0	0	0		0	0	
Poland Fire Terr (Jackson Township)	259	2,660	0	0		2,919	49,693	5.9%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.